

# REGISTRY OF ELECTION FINANCE

The Registry of Election Finance met Wednesday, August 9, 2006, at Suite 1614 of Parkway Towers, 404 James Robertson Parkway, Nashville, Tennessee.

Attending the meeting were board members Karen Dunavant, George Harding, Darlene McNeece, John McClarty, Lee Anne Murray and Marian Ott.

On motion by Harding, seconded by McNeece, the board voted to approve the July 12, 2006 board minutes. The motion passed the board unanimously.

## ***Sworn Complaint against Mary Pruitt***

The board voted at its July 12, 2006 meeting to defer any action until the August 9, 2006 meeting.

Director Rawlins provided the board with a sworn complaint filed against Rep. Mary Pruitt that was filed with the Registry by William James Boyd. The sworn complaint is based on a WTVF-TV5 investigation and includes documentation from other sources. The sworn complaint alleges that Rep. Pruitt converted campaign funds to personal use by paying herself rent from her campaign account for a building she owns that she states is her campaign office although the building didn't appear to be in use.

Director Rawlins provided the board with an additional statement was provided by Mr. Boyd requesting that the board subpoena videotapes, documents, transcripts from News Channel 5 and all utility records for Rep. Pruitt's campaign office.

Director Rawlins informed the board that because the reports in question that refer to Rep. Pruitt's 2004 campaign account had been on file for more than 180 days it is deemed sufficient absent a showing of fraud. Director Rawlins further informed the board that the allegations in the complaint that refer to Rep. Pruitt's 2005 campaign account are within the 180 day timeframe.

Mr. Boyd personally appeared before the board explained that after examining all of the evidence it appears to him that Rep. Pruitt has not been abiding by the campaign finance laws.

After discussion, a motion was made by Harding, seconded by Ott, to issue Rep. Pruitt a show cause notice regarding items in the sworn complaint from the 2005 campaign financial disclosure report only. The motion passed the board 5 to 1, with McClarty voting "no."

## ***Reconsideration***

***06-12 Ron Redwing***, for failure to file a 2005 year-end lobbying activities report. Class one (1), no report filed, maximum seven hundred fifty (\$750) civil penalty. Mr. Redwing has had no previous matters before the board.

The board voted at its June 14, 2006 board meeting to assess Mr. Redwing a \$750 civil penalty assessment. Mr. Redwing requested a reconsideration of the assessment.

Director Rawlins informed the board that Mr. Redwing filed an activities report with the Registry on July 11, 2006 but the report was for the incorrect reporting period. The report had been sent back for correction but had not been returned by Mr. Redwing.

Mr. Redwing filed statements from himself and from Mr. Javier Michael Bailey for the Registry's consideration of the matter, neither of the statements were signed or notarized. In this statement, Mr. Redwing explained that his failure to file the required report was not intentional but was an oversight. Mr. Redwing further explained that he has now filed the report which shows no activity for the reporting period.

On motion by Dunavant, seconded by Ott, the board voted unanimously not to reconsider the \$750 civil penalty assessment against Mr. Redwing.

### ***Sworn Statement Submitted***

***06-28 Insurors of Tennessee PAC***, for failure to correctly report a campaign expenditure. Class two (2), maximum ten thousand (\$10,000) civil penalty. The organization has had no previous matters before the board.

The board voted at its July 12, 2006 meeting to issue the organization a show cause notice due to the PACs failure to respond to the Registry's request for information on a campaign expenditure.

Director Rawlins informed the board that the organization had responded to the Registry's original request by e-mail but that at the time Registry staff did not realize that this was their response to the request. Director Rawlins further informed the board that the organization amended their disclosure report to show that the campaign expenditure was never cashed.

On motion by Ott, seconded by Dunavant, the board voted unanimously to take no further action in this matter.

***06-29 Tennessee Association of Nurse Anesthetists***, for failure to correctly report a campaign expenditure. Class two (2), maximum ten thousand (\$10,000) civil penalty. The organization has had no previous matters before the board.

The board voted at its July 12, 2006 meeting to issue the organization a show cause notice due to the PACs failure to respond to the Registry's request for information on a campaign expenditure.

John Summers, PAC Administrator, provided a statement for the board's consideration. In this statement, Mr. Summers explained that they have not received the campaign contribution back nor has the check cleared their bank account. Mr. Summers further explained that they would continue to show this as a contribution until they receive differing information.

On motion by Harding, seconded by Ott, the board voted unanimously to take no further action in this matter but request that the organization stop payment on the check and amend their disclosure report to delete this contribution from their PAC.

***06-30 Tennessee Chiropractic Association***, for failure to correctly report a campaign expenditure. Class two (2), maximum ten thousand (\$10,000) civil penalty. The organization has had no previous matters before the board.

The board voted at its July 12, 2006 meeting to issue the organization a show cause notice due to the PACs failure to respond to the Registry's request for information on a campaign expenditure.

Lamont Carter, treasurer for the organization, provided a sworn statement for the board's consideration. In this statement, Mr. Carter explained that the organization did not respond to the Registry's letters because they were misplaced by staff. Mr. Carter further explained that the contribution in question was written before the convening of the Legislature but that by the time the check was received session had begun and the check was returned to the PAC. Mr. Carter stated that the disclosure report was amended to show the voided check.

On motion by Ott, seconded by McNeece, the board voted unanimously to take no further action in this matter.

### ***Cases Subject to Approval for Civil Penalty***

***06-18 McMinn County Republican Party***, for failure to file a 2006 1<sup>st</sup> quarter campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. The organization has had no previous matters before the board.

The board voted at its July 12, 2006 meeting to defer any action until the next regularly scheduled meeting to allow Registry staff an opportunity to contact the organization.

Jerry Anderson, treasurer for the organization, provided a statement for the board's consideration. In this statement, Mr. Anderson explained that his failure to file was an oversight on his part and that he has now filed the required report.

A motion was made by Ott, seconded by McNeece, to assess the organization a \$100 civil penalty. A friendly amendment was made by Harding, not accepted by Ott and McNeece, to assess the organization a \$50 civil penalty. The motion to assess the organization a \$100 civil penalty passed the board 4 to 2, with Harding and McClarty voting "no."

***06-20 Larry Drolsum***, for failure to file a 2006 Statement of Interests. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Mr. Drolsum has had a previous matter before the board. (See above)

The board voted at its July 12, 2006 meeting to issue Mr. Drolsum a show cause notice.

Director Rawlins informed the board that there has been no response to the show cause notice and that the report still has not been filed.

A motion was made by Ott, seconded by McNeece, to assess Mr. Drolsum a \$1,000 civil penalty. A friendly amendment was made by McClarty, accepted by Ott and McNeece, to assess Mr. Drolsum a \$250 civil penalty. The motion to assess Mr. Drolsum a \$250 civil penalty passed the board unanimously.

***06-21 Samuel Harris***, for failure to file a 2006 Statement of Interests. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Mr. Harris has had no previous matters before the board.

The board voted at its July 12, 2006 meeting to issue Mr. Harris a show cause notice.

Director Rawlins informed the board that Mr. Harris had not received the show cause notice that was sent by certified mail.

The Registry made the decision to send the show cause notice by regular mail and to defer any action in this matter until the next regularly scheduled meeting.

**06-22 Ann Barker**, for failure to correctly report a campaign contribution. Class two (2), maximum ten thousand (\$10,000) civil penalty. Ms. Barker has had no previous matters before the board.

The board voted at its July 12, 2006 meeting to issue Ms. Barker a show cause notice.

Ms. Barker personally appeared before the board and explained that she mistakenly reported the contribution in question as an unitemized contribution on her disclosure report. Ms. Barker further explained that she has amended her report so that the contribution is now listed as an itemized contribution.

A motion was made by Dunavant, seconded by McClarty, to take no further action in this matter. The motion to take no further action passed the board 4 to 1, with Ott voting “no” and McNeece “abstaining.”

**06-23 Kathryn Bowers**, for failure to report a campaign contribution. Class two (2), maximum ten thousand (\$10,000) civil penalty. Sen. Bowers has had previous matters before the board.

The board voted at its July 12, 2006 meeting to issue Sen. Bowers a show cause notice.

Director Rawlins informed the board that Sen. Bowers had not received the show cause notice that was sent by certified mail.

The Registry made the decision to send the show cause notice by regular mail and to defer any action in this matter until the next regularly scheduled meeting.

**06-24 Ulysses Jones**, for failure to report campaign contributions. Class two (2), maximum ten thousand (\$10,000) civil penalty. Rep. Jones has had no previous matters before the board.

The board voted at its July 12, 2006 meeting to issue Rep. Jones a show cause notice.

Director Rawlins informed the board that Rep. Jones had not received the show cause notice that was sent by certified mail.

The Registry made the decision to send the show cause notice by regular mail and to defer any action in this matter until the next regularly scheduled meeting.

**06-25 Judd Matheny**, for failure to report campaign contributions. Class two (2), maximum ten thousand (\$10,000) civil penalty. Rep. Matheny has had a previous matter before the board.

The board voted at its July 12, 2006 meeting to issue Rep. Matheny a show cause notice.

Rep. Matheny submitted a sworn statement for the board's consideration. In this statement Rep. Matheny explained that the contributions in question had been properly recorded and deposited into his campaign account but that the contributions were mistakenly omitted from his disclosure report. Rep. Matheny further explained that he has now amended his disclosure report to show the missing contributions.

On motion by McClarty, seconded by Ott, the board voted unanimously to assess Rep. Matheny a \$500 civil penalty.

**06-26 Larry Miller**, for failure to report a campaign contribution. Class two (2), maximum ten thousand (\$10,000) civil penalty. Rep. Miller has had no previous matters before the board.

The board voted at its July 12, 2006 meeting to issue Rep. Miller a show cause notice.

Rep. Miller submitted a sworn statement for the board's consideration. In this statement, Rep. Miller explained that oversight and the lack of proficiency in the use of the electronic filing system caused the contribution in question to be mistakenly omitted from the disclosure report. Rep. Miller further explained that as soon as he became aware of the error he amended his report.

A motion was made by McNeece to assess Rep. Miller a \$500 civil penalty. A friendly amendment was made by McClarty, seconded by Harding and accepted by McNeece, to assess Rep. Miller a \$250 civil penalty. The motion to assess Rep. Miller a \$250 civil penalty passed the board unanimously.

**06-27 Gary Rowe**, for failure to report a campaign contribution. Class two (2), maximum ten thousand (\$10,000) civil penalty. Rep. Rowe has had a previous matter before the board.

The board voted at its July 12, 2006 meeting to issue Rep. Rowe a show cause notice.

Director Rawlins informed the board that Rep. Rowe had requested that his case be postponed until the next regularly scheduled meeting to allow him an opportunity to respond to the show cause notice.

The Registry made the decision to defer any action in this matter until the next regularly scheduled meeting to allow Rep. Rowe an opportunity to respond to the show cause notice.

**06-31 Tennessee Professional Firefighters**, for failure to correctly report campaign expenditures. Class two (2), maximum ten thousand (\$10,000) civil penalty. The organization has had no previous matters before the board.

The board voted at its July 12, 2006 meeting to issue the organization a show cause notice.

Dennis Carroll, representative for the organization, submitted a statement for the board's consideration. In this statement Mr. Carroll provided a spreadsheet listing the campaign contributions in question and the dates that they cleared the bank.

Director Rawlins requested that the board defer any action in this case until the next regularly scheduled meeting to allow him an opportunity to contact Mr. Carroll to

get additional information because their appears to be some discrepancies in the dates of the campaign expenditures reported by the PAC.

The Registry made the decision to defer any action in this matter until the next regularly scheduled meeting to allow Director Rawlins an opportunity to contact the organization and request further information on this matter.

### ***Cases Considered for Issuance of Show Cause Notice***

***Iron Workers Local 492 PAC***, for failure to timely file a 2006 2<sup>nd</sup> quarter campaign financial disclosure report. Class one (1), two days late, maximum fifty (\$50) civil penalty. The organization has had no previous matters before the board.

On motion by Dunavant, seconded by Ott, the board voted unanimously to take no action in this matter.

***Metro Memphis Hotel & Lodging Assn.***, for failure to timely file a 2006 2<sup>nd</sup> quarter campaign financial disclosure report. Class one (1), three days late, maximum seventy-five (\$75) civil penalty. The organization has had no previous matters before the board.

On motion by Dunavant, seconded by Ott, the board voted unanimously to take no action in this matter.

***Kevin Fisher***, for failure to timely file a 2006 2<sup>nd</sup> quarter campaign financial disclosure report. Class one (1), four days late, maximum one hundred (\$100) civil penalty. Mr. Fisher has had no previous matters before the board.

On motion by Dunavant, seconded by Ott, the board voted unanimously to take no action in this matter.

***Quintessa Hathaway***, for failure to timely file a 2006 2<sup>nd</sup> quarter campaign financial disclosure report. Class one (1), two days late, maximum fifty (\$50) civil penalty. Ms. Hathaway has had no previous matters before the board.

On motion by Dunavant, seconded by Ott, the board voted unanimously to take no action in this matter.

***Scott McCluen***, for failure to timely file a 2006 2<sup>nd</sup> quarter campaign financial disclosure report. Class one (1), three days late, maximum seventy-five (\$75) civil penalty. Mr. McCluen has had no previous matters before the board.

On motion by Dunavant, seconded by Ott, the board voted unanimously to take no action in this matter.

### ***Reported Financial Expenses***

Director Rawlins provided the board members with a list of civil penalties that have been paid year to date.

Director Rawlins presented the expenditure reports for the 2005/2006 fiscal year through June 30, 2006.

### ***Executive Director's Report***

Director Rawlins informed the board that an Audit Manager and an Auditor III had been hired and would start on August 16, 2006.

### ***Other Business***

The Registry decided to put a discussion on the rules and guidelines that may be needed for candidates and PACs in regards to when campaign contributions are written and deposited on the agenda for the December board meeting.

Murray, seconded by Dunavant made a motion, to adjourn the meeting until the next regularly scheduled meeting. The motion passed unanimously.